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**TO: Economic Support Supervisors
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W-2 Agencies**

**FROM: Amy Mendel-Clemens
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BHCE/BWP OPERATIONS MEMO

No.: 03-47

Date: 07/31/2003

Non W-2 ☒ W-2 ☐ CC ☐

PRIORITY: HIGH

**SUBJECT: 2003 CHILD CARE RATE SURVEY - FOR DETERMINATION OF
2004 MAXIMUM RATES**

EFFECTIVE DATE

Survey period - Aug. 1 through Sept. 30, 2003
Survey due date: October 10, 2003

PURPOSE

This memo includes the materials and instructions needed to complete the annual child care rate survey.

BACKGROUND

The annual rate survey is required by federal regulations and state administrative rule and is used to establish a level of maximum reimbursement rates for the Wisconsin Shares Child Care Subsidy Program for each county/tribe.

CHANGES IN 2003

The February 1, 2003 rule change of DWD 56 – Administration of Child Care Funds, brought the following changes:

- 1) Four age groups instead of two. The country/tribal maximum rates for 2004 will be calculated for the following age groups:
 - a. Birth through age 1 (1 year and 11 months)

- b. Age 2 through age 3 (3 years and 11 months)
 - c. Age 4 through age 5 (5 years and 11 months)
 - d. Age 6 years and older
- 2) Excluding licensed family and group centers where less than 25% of capacity is privately paid (not paid by subsidy funds).
- 3) Excluding providers who do not have a set full-time, weekly child care price.

RATE SURVEY TOOL

To simplify the survey process and assist in gathering the necessary information, this document has been divided into these sections:

1. **Annual Child Care Rates Survey** - This section includes the updated survey and instructions on price collection and price conversion.
2. **Reimbursement Rate Determination** -Instructions for determining the county/tribal weekly ceiling and the hourly rate. Refer to the enclosed Rate Calculation Instructions for guidelines on how to calculate the county/tribal maximum rate. An example of a completed survey results worksheet is included.
3. **Child Day Care Rates Approval Request** – Request to approve 2004 maximum reimbursement rates. Complete the DES-2465 (R. 7/2003) document showing your new 2004 maximum rates. Agencies must submit the new rate even if the new calculation method shows the rate to have gone down or remained the same as the previous year. Return the Request Form along with the worksheet showing the determination of the 75th percentile rates, the worksheet showing the conversion calculations performed by your agency, along with any other relevant documents to the address listed below. The DWD Child Care Section (CCS) will notify local child care agencies of approved maximum rates by *December 5, 2002*.

TRIBAL RATES

A tribal agency may use the maximum rates established by a neighboring county rather than establish its own rates.

NOTE ➤The tribe must submit the 'Child Day Care Rates Approval Request' form indicating the rates to be used.

SPECIAL NOTE

This year's survey implements the new language in the Administrative Rule DWD56 which limits the population of the providers included in the calculation of the maximum rates to those which care for **at least 25% private pay** children. In other words, any provider who reports that s/he cares for more than 75% subsidized children should not be included in the determination of the 75th percentile. The administrative rule changed this amount from the previous level of 10% (90%).

As a reminder, the purpose of setting a maximum rate is, by surveying for the private market prices of licensed providers to ensure that at least 75% of the care available in a county or tribe is fully-affordable through the subsidy program. DWD has been informed that this change may

somehow distort the results of establishing the maximum county/tribal rates, possibly by artificially limiting the number of providers whose rates are considered in establishing the 75th percentile. While no empirical evidence is available to prove (or disprove) this claim, in the event that a county or tribe believes this to be the case and wishes to request an exception to their new rates, DWD will accept such requests. Procedures for requesting such a waiver, along with the criteria which must be met, will be distributed later. These requests, if made, must be accompanied by actual survey data supporting the reason for requesting an exception.

SURVEY TIMELINES

Survey period - Aug. 1 through Sept. 30, 2003

Deadline for returning the survey to Child Care Section - Oct. 10, 2003

Approval of Maximum rates - Dec. 5, 2003

Mass change – Scheduled for December 27/28, 2003

Questions can be directed to:

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CONTACTS

BHCE CARES Information & Problem Resolution Center

Email: carpolcc@dhfs.state.wi.us
Telephone: (608) 261-6317 (Option #1)
Fax: (608) 266-8358

Note: Email contacts are preferred. Thank you.

DWD/DWS/BDS/PZ